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SIPDIS

USDOC FOR 532/OEA/LHINES/ADYSON  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM ZARIT  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A  
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)  
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: HUAWEI TECHNOLOGY  
REF: A) USDOC 09058

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) accompanied by Commercial Officer Brock Wilson, conducted a post shipment-verification (PSV) at Huawei Technology Co. Ltd., 9/F, Tower 2, Ever Gain Plaza, Tower 2, Hong Kong (Huawei Hong Kong). The items in question are various integrated circuits exported to Huawei Hong Kong on or about March 23, 2007 and valued at USD 10,902. On the applicable shippers export declaration (SED), these items are classified under export control classification number (ECCN) 3A001 and, if properly classified, would be controlled for national security (NS) reasons. The exporter was Xilinx Inc. of San Jose California.

13. A search of Huawei Hong Kong's web page reveals that Huawei is a unit of mainland company Huawei, a well-known worldwide telecommunications network hardware manufacturer. The company has a range of product portfolios including mobile network, broadband, IP-based, optical network, telecom valued added service and terminal. More information is available at the company's web site, [www.huawei.com](http://www.huawei.com).

14. According to the Hong Kong Companies Registry, Huawei Hong Kong was registered in 1992. Its paid up share capital is the Hong Kong equivalent of USD 40,000. Hong Kong identity card holders Ma, Cheung Hon and Ma, Cheung Kwai are listed as directors.

15. On October 17, 2007, ECO and Commercial Officer, Brock Wilson met with Mr. Dickson Law, Warehouse Supervisor. He stated that Huawei Hong Kong acts as a logistics hub for Huawei production facilities in Shenzhen and elsewhere in mainland China. The company has no production facilities in Hong Kong and, as a result, items exported/reexported to Hong Kong can be expected to be sent to mainland China production facilities. Mr. Law stated that Huawei Hong Kong is well aware of U.S. and Hong Kong export controls and has special staff dedicated to those controls.

16. As to the specific items in question, ECO notes that documents provided by OEA indicate that the items in question are likely classified under ECCN subparagraph 3A001A7A. This subparagraph is subject to a license requirement to mainland China but is eligible for a license exception is sent for civil end-use (license exception CIV).

17. During the October 17, 2007 meeting, Mr. Law stated that he would provide confirmation that the items had been forwarded to Huawei production facilities. By subsequent e-mail, Mr. Law provided documentation confirming that the items had been shipped

through to the company's Shenzhen production facilities. He provided further confirmation that the items were destined for civil end-use at the company's headquarters in Shenzhen. Finally, he provided a copy of the Hong Kong export license covering the reexport to mainland China. That license includes a civil end-use requirement.

18. At the time visited, it appeared that Huawei Hong Kong has procedures in place for complying with U.S. and other export controls. It further appeared that the items had been forwarded to Huawei's facilities in Shenzhen.